S

World Production and Trade

United States Department of Agriculture
Foreign Agricultural Service
Washington, D.C. 20250

Weekly Roundup

WR 25-86

June 25, 1986

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

Argentina Lowers Wheat Export Tax. The Argentine wheat export tax for the 1986/87 crop year (Dec-Nov) has been lowered from 15 to 5 percent. The announcement follows a strike where farmers demanded a lower tax because of falling world wheat prices and generally depressed agricultural conditions. A lower export tax can result in better returns for Argentine farmers and/or lower export prices for Argentine wheat. Unlike past years, the announcement was made before planting which allows farmers time to increase plantings. A larger crop likely would mean increased exportable supplies and intensified competition for U.S. wheat. Argentine wheat exports in 1986/87 (Dec/Nov) are forecast at 5.1 million tons, up nearly 1 million tons from 1985/86 when rain damaged much of the crop at harvest.

DAIRY, LIVESTOCK AND POULTRY

Soviet Meat Production Increases. Meat, dairy and poultry production on Soviet state and collective farms increased for January-May 1986 over the same period in 1985. Animal inventory levels on June 1, 1986 were up compared to June 1985.

Meat production for January-May 1986 was up 8 percent compared with the same period in 1985. Beef, pork and poultry were up 7, 8 and 13 percent, respectively, while sheep and goat meat production fell 10 percent. Milk production was up 16 percent and egg production 7 percent in the first five months compared to last year. June 1 livestock numbers, compared to a year ago, were up 1 percent for all cattle to 99.6 million head, while cows were down 1 percent to 29.4 million head. Hogs were up 3 percent to 59.5 million, sheep and goats up 2 percent to 146.8 million, and poultry up 0.4 percent to 799.2 million.

-more-

SALLY KLUSARITZ, Editor, Tel. (202) 447-3448. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5922-S, Washington, D.C. 20250. Tel. (202) 447-7937.

FRUITS

Citrus Production in Southern Hemisphere Forecast to Decline. Citrus production in selected countries of the Southern Hemisphere is forecast at 14.3 million tons for 1986, down 6 percent from last year's record crop, but 8 percent above the 1984 harvest. Output in Brazil, the world's leading citrus producing nation, is forecast at 11.4 million tons, down 6 percent from last year's record crop. Production estimates for selected countries in the Southern Hemisphere, by fruit type, with 1985 estimates in parentheses, are as follows in thousand tons: sweet oranges, 12,271 (13,113); tangerines, 829 (827); lemons, 548 (586); grapefruit 338 (332); and other citrus, including sour oranges, limes, and miscellaneous citrus varieties, 318 (318).

Brazil's 1986 citrus crop is forecast at 11.4 million tons, down from last year's record harvest of 12.2 million tons, but still the second largest crop on record. Orange outturn is forecast at 10.5 million tons, 7 percent below last season's record harvest. The orange crop in the commercial citrus zone of the state of Sao Paulo, which dominates the Brazilian orange harvest, is expected to total 8.6 million tons, 9 percent below last year. Despite dry conditions, Brazil produced a record orange crop in 1985 due to an increase in fruit-bearing trees, less selective picking and slightly higher yields per tree. The 1986 season began with a severe drought from June to December 1985 which affected the first bloom during August/September. Rains returned in January and provided a subsequent bloom which had a generally good set. The out-of-season bloom will delay the 1986 harvest two to three months.

In Argentina, 1986 citrus output is expected to fall 14 percent from last year due to dry weather during flowering. Orange and tangerine harvests are forecast down 23 percent and 1 percent, respectively. Lemon production is forecast at 320,000 tons, down 11 percent from last year, but equal to the 1984 harvest. In Chile, a record citrus harvest is projected for 1986, 4 percent above last season. Lemon production is forecast down 7 percent while orange production is forecast up 14 percent. In Uruguay, citrus production is expected to rise 12 percent as a result of recent plantings which are now coming into production.

In Australia, the 1986 citrus crop is forecast 3 percent above last year--the third consecutive record-setting crop. Orange production is forecast at 540,000 tons, about one-third over the amount produced in the early 1980's. The increase is attributed to rising yields and an expanding tree population.

In South Africa, 1986 citrus production is expected to rise 9 percent from last year's level, rebounding after three consecutive drought-reduced harvests and last year's devastating hail storm. Orange production is forecast at 535,000 tons, up 10 percent from last year. Grapefruit production is expected to total 105,000 tons, up 3 percent. In the main producing areas of the eastern and northern Transvaal, water supplies are adequate. In the eastern Cape Province, water has been diverted from the Orange River basin or system to the Sundays River to bolster irrigation supplies for citrus.

-more-

Total citrus production in selected countries of the Southern Hemisphere is estimated, by country, as follows in thousand tons:

Country	1984	Revised 1985	Forecast 1986
Brazil	10,489	12,181	11,405
Argentina	1,211	1,411	1,213
Chile	125	140	145
Uruguay	133	171	190
Australia	598	629	648
South Africa 1/	649	644	703
Total selected countries	13,205	15,176	14,304

1/ Includes production of Mozambique, Swaziland, and Zimbabwe marketed through the South African Citrus Board.

COCOA

Cocoa Production Revised. Based on new information from the U.S. agricultural attache in Abidjan, the 1985/86 cocoa crop for the Ivory Coast is now estimated at 540,000 tons, up 3 percent from the previous estimate, but down 2 percent from last year's record crop. Increased productivity of trees coupled with good growing conditions throughout most of the season contributed to the upward revision. Only the tail end of the crop has been less than optimal due to inadequate rainfall in March-May 1986.

In February, world cocoa bean production for 1985/86 was forecast at 1.88 million tons, down 3 percent from the previous year's crop (see WR 7-86). Since that time, USDA has revised its forecast for Ecuador, Ghana and Nigeria based on U.S. agricultural attaches' reports. The current 1985/86 forecast for these countries is shown with 1984/85 production estimates in 1,000 tons:

Country	1984/85	1985/86 Forecasts Feb	1985/86 Forecasts Current
Ecuador	128.0	110.0	85.0
Ghana	175.0	200.0	212.0
Ivory Coast 1/	552.0	525.0	540.0
Nigeria	150.0 2/	115.0	95.0 2/

1/ Includes cocoa marketed from Ghana. 2/ Does not include cocoa marketed through Benin. In recent years this amount has varied between 10 and 20 thousand tons.

NOTE: The next USDA world cocoa bean production estimate is scheduled for release Oct. 16, 1986.

-more-

WOOD AND WOOD PRODUCTS

Swedish Forest Products Industry Shows Little Change. Sweden's 1986 harvest of roundwood is forecast at 63.2 million cubic meters, only 300,000 meters above the 1985 cut. Softwood lumber production is estimated at 11 million meters, down from 11.4 million a year ago, due to a shortage of saw logs. Inadequate supplies of saw logs have been a continuing problem for manufacturers of sawn wood and board products. Nearly half of the productive forest area is in private hands and many owners are not solely dependent upon logging for their livelihood. Many are reluctant to increase fellings because of high taxes incurred when timber is sold. The government currently is trying to identify ways to stimulate logging from this sector.

Softwood lumber is Sweden's largest solid wood export commodity, accounting for 17 percent of the U.S. $6 billion in Swedish forest products exports (including paper and allied products) in 1985. About 50 countries received Swedish exports, with European countries accounting for approximately 83 percent of total lumber shipments. Egypt is Sweden's largest non-European market (fourth largest overall), accounting for 10 percent of 1985 softwood lumber exports. The overall decline in 1985 shipments to the Middle East was largely the result of reduced imports by Saudi Arabia. Construction activity in Saudi Arabia has slowed considerably from several years ago and is forecast to decline further during the next few years.

Approximately 85 percent of Sweden's lumber exports consist of rough, sawn softwood lumber which is not further processed. Principal species exported are spruce (whitewood) and pine (red wood). The outlook for 1986 is for a 2-percent decline in total softwood lumber exports. A small increase in demand from Sweden's traditional European customers is expected, as a result of increased construction activity in these countries. Egypt will remain a major market; however, its currency problems are expected to hamper demand.

-more-

Sweden's production and exports of wood products are as follows in 1,000 cubic meters:

	1984	1985	1986 1/
ROUNDWOOD			
Production	64,700	62,900	63,200
Imports	4,847	5,968	6,000
Exports	1,560	1,489	1,500
Domestic consumption	71,402	69,492	69,000
SOFTWOOD LUMBER			
Production	12,120	11,400	11,000
Imports	91	85	100
Exports	8,002	7,866	7,700
Domestic consumption	3,782	3,675	3,800
SOFTWOOD PLYWOOD			
Production	65	70	75
Imports	110	106	100
Exports	27	30	30
Domestic consumption	148	146	145
PARTICLEBOARD			
Production	981	902	850
Imports	99	112	100
Exports	377	330	300
Domestic consumption	685	670	665

1/ Forecast.

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of June 24, 1986, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
36. Jordan Barley	June 17, '86	60,000	
35. Israel Barley	June 17, '86	200,000	
34. Tunisia Dairy Cattle	May 29, '86	4,000 head	
33. Algeria Dairy Cattle	May 29, '86	5,000 head	
32. Sri Lanka Wheat	May 16, '86	125,000	Sold 50,000
31. Saudia Arabia Barley	May 7, '86	500,000	
30. Algeria Barley	Apr 17, '86	500,000	
29. Morocco Dairy Cattle	Apr 16, '86	4,000 head	
28. Turkey Dairy Cattle	Apr 16, '86	5,000 head	
27. Egypt Dairy Cattle	Apr 16, '86	6,000 head	
26. Yemen Poultry Feed	Apr 14, '86	150,000	
25. Yugoslavia Wheat	Apr 10, '86	200,000	Sold 153,000
	June 24, '86	200,000	
24. Indonesia Dairy Cattle	Apr 9, '86	7,500 head	
23. Syria Wheat	Apr 8, '86	700,000	
22. Benin Wheat	Apr 7, '86	45,000	Sold 10,000
21. Algeria Table Eggs	Apr 4, '86	500 million	
20. Iraq Dairy Cattle	Apr 4, '86	6,500 head	
19. Jordan Wheat	Mar 19, '86	75,000	COMPLETE
	June 24, '86	75,000	
18. Tunisia Wheat	Mar 18, '86	300,000	Sold 50,000
17. Algeria Wheat Flour	Feb 25, '86	100,000	
16. Algeria Semolina	Feb 11, '86	250,000	
15. Philippines Wheat	Jan 7, '86	150,000	COMPLETE (152,400)
14. Zaire Wheat	Dec 27, '85	40,000	Sold 20,000
	May 15, '86	40,000	
13. Nigeria Barley Malt	Dec 10, '85	100,000	Sold 2,200
12. Iraq Wheat Flour	Dec 9, '85	150,000	Sold 75,000
11. Egypt Poultry	Nov 26, '85	8,000	COMPLETE
	Mar 21, '86	15,000	COMPLETE
	June 18, '86	5,000	
10. Zaire Wheat Flour	Nov 18, '85	64,000	Sold 45,000
	May 15, '86	30,000	
9. Philippine Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8. Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7. Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	
6. Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5. Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4. Yemen Wheat Flour	Aug 20, '85	50,000	Sold 31,500
	Apr 14, '86	100,000	

-more-

3. Egypt Wheat	Jul 26, '85	500,000	COMPLETE
	Oct 30, '85	500,000	COMPLETE (512,500)
	June 20, '85	500,000	
2. Egypt Wheat Flour	Jul 2, '85	600,000	COMPLETE
1. Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
	Apr 10, '86	1,000,000	

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	11,611,780 (grain equivalent)
	500 million table eggs
	28,000 tons frozen poultry
	38,000 head dairy cattle
Sold to Date	4,016,500 wheat
	1,098,800 flour, grain equivalent
	23,000 frozen poultry
	22,700 rice
	3,000 barley malt, grain equivalent
Bonus	$245.1 million at book value (1,674,100 tons)

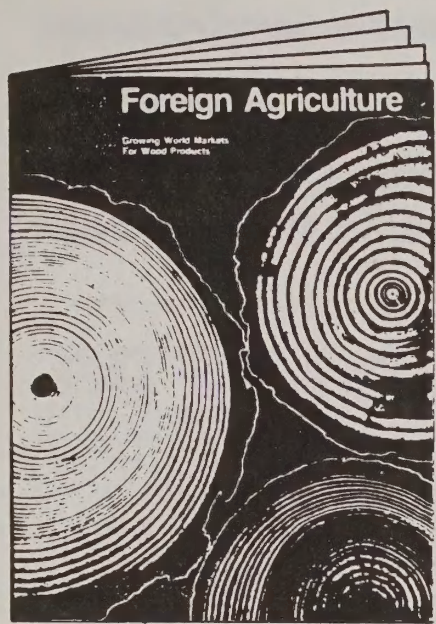
-more-

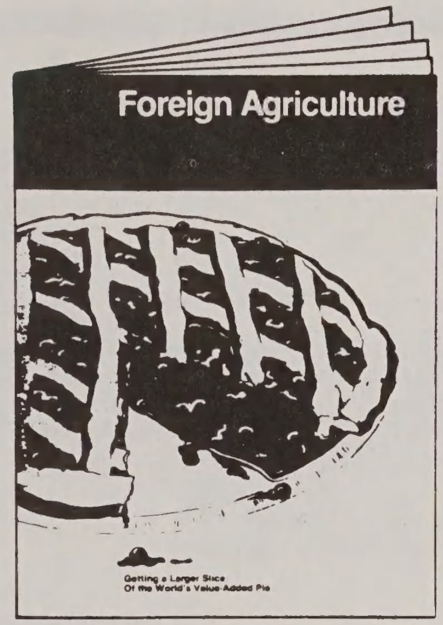
Selected International Prices

Item	June 24, 1986		Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	182.50
U.S. No. 2 DNS/NS: 14%....	131.50	3.58	+1.50	164.75
U.S. No. 2 S.R.W.	118.00	3.21	+4.00	143.00
U.S. No. 3 H.A.D..........	144.00	3.92	-13.00	168.00
Canadian No. 1 A: Durum...	N.Q.	--	--	179.00
Feed grains:				
U.S. No. 3 Yellow Corn....	117.00	2.97	--	128.00
Soybeans and meal:				
U.S. No. 2 Yellow.10/....	202.80	5.52	-8.80	228.10
Brazil 47/48% Soya Pellets	190.00	--	+1.00	148.50
U.S. 44% Soybean Meal....	181.00	--	--	144.00
U.S. FARM PRICES 3/				
Wheat....................	77.15	2.10	-1.47	116.10
Barley...................	61.09	1.33	--	72.11
Corn.....................	91.34	2.32	-0.39	104.33
Sorghum..................	84.22	3.82 2/	-1.54	98.99
Broilers.................	1411.38	--	+137.79	1187.84
EC IMPORT LEVIES				
Wheat 5/.................	171.20	4.66	-1.25	75.55
Barley...................	171.25	4.66	+4.15	69.60
Corn.....................	148.75	3.78	-1.05	63.60
Sorghum..................	160.90	4.09	-1.20	79.20
Broilers 4/ 6/ 8/........	341.00	--	--	161.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	195.40	5.32	-0.30	150.50
Bread wheat (min. quality)	207.50	5.65	-0.35	159.90
Barley and all other feed grains.......	195.40	--	-0.30	150.50
Broilers 4/ 6/...........	1,403.00	--	+1.00	1,094.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	--	--	N.A.
Barley...................	N.A.	--	--	N.A.
Broilers 4/ 6/ 8/........	251.00	--	--	95.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ October delivery. N.A.=None authorized. N.Q.=Not quoted. Note: Basis July delivery.

*U.S. GOVERNMENT PRINTING OFFICE: 1986-490-916:40412/FAS





Do you need information about

- Overseas markets and buying trends?
- New competitors and products?
- Trade policy developments?
- Overseas promotional activities?

Then **Foreign Agriculture** — USDA's fact-filled monthly agricultural trade magazine — is for you. Based on official USDA data available nowhere else, **Foreign Agriculture** articles are clear and crisp, written to provide the export information you need, in a concise and extremely readable form.

Special information is found in **Foreign Agriculture's** telegraphed, targeted news departments: Fact File, Country Briefs, Trade Updates and Marketing News. And its tables and graphs will give you an immediate grasp of what's going on overseas.

In addition, periodic special issues—such as the one devoted entirely to value-added exports—will give you a wide range of detailed information about overseas markets.

If you use agricultural facts and figures in your business, you need **Foreign Agriculture.**

Subscribe today! Just $16.00 ($20.00 for foreign delivery) brings you Foreign Agriculture for 12 full months.

SUBSCRIPTION ORDER FORM

Please print or type

Write check payable to:
Superintendent of Documents

MAIL ORDER FORM TO:

Superintendent of Documents
Government Printing Office
Washington, D.C. 20402

For Office Use Only

Quantity Charges
_______ Publications _______
_______ Subscriptions _______
Special Shipping Charges _______
International Handling _______
Special Charges _______
OPNR _______
_______ UPNS
_______ Balance Due
_______ Discount
_______ Refund

Enter My Subscription To FOREIGN AGRICULTURE

$16.00 domestic (United States and its possessions); $20.00 foreign. The Government Printing Office requires that foreign addressees send international money orders, UNESCO coupons, or checks drawn on a domestic bank only.

Enclosed is $_______
☐ Check
☐ Money order
☐ Charge to my Deposit Account
No. _______
Order No. _______

Credit Card Orders Only (Visa and Mastercard)

Total charges $
Credit card No.
Expiration Date Month/Year

Name—First, Last

Company Name or Additional Address Line

Street Address

City State Zip Code

Country

FAS Circulars: Market Information For Agricultural Exporters

As an agricultural exporter, you need timely, reliable information on changing consumer preferences, needs of foreign buyers, and the supply and demand situation in countries around the world.

The Foreign Agricultural Service can provide that information in its commodity circulars.

World agricultural information and updates on special FAS export services for the food and agricultural trade all are available in these periodic circulars.

For a sample copy of these reports—which can supply you with the information you need to make sound business decisions—check the box indicated, fill out the address form and mail it today.

To subscribe: Indicate which publications you want. Send a check for the total amount payable to the Foreign Agricultural Service. Only checks on U.S. banks, cashier's checks, or international money orders will be accepted. NO REFUNDS CAN BE MADE.

Mail this form to: Foreign Agricultural Service
Information Division
Room 4644-S
U.S. Department of Agriculture
Washington, D.C. 20250

No. of Subscriptions			Subscription Rate Domestic	Subscription Rate Foreign
_____	10022	Cocoa (2 issues)	$ 3.00	$4.00
_____	10003	Coffee (3 issues)	5.00	10.00
_____	10004	Cotton (12 issues)	20.00	30.00
		Dairy, Livestock & Poultry:		
_____	10005	Export Trade & Prospects (8 issues)	14.00	22.00
_____	10006	Meat & Dairy Monthly Imports (12 issues)	20.00	25.00
_____	10007	Dairy Situation (2 issues)	3.00	4.00
_____	10008	Livestock & Poultry Situation (2 issues)	4.00	7.00
_____	10009	All 24 Reports Listed Above	41.00	58.00
		Grains:		
_____	10010	World Grain Situation & Outlook (16 issues)	28.00	41.00
_____	10011	Export Markets for U.S. Grain (12 issues)	20.00	30.00
_____	10013	USSR Grain Situation & Outlook (12 issues)	15.00	20.00
_____	10014	All 40 Reports Listed Above	63.00	91.00
_____	10015	Horticultural Products (12 issues)	20.00	30.00
_____	10016	Oilseeds & Products (13 issues)	27.00	42.00
_____	10017	Seeds (4 issues)	9.00	15.00
_____	10018	Sugar, Molasses & Honey (3 issues)	5.00	8.00
_____	10019	Tea, Spices & Essential Oils (3 issues)	5.00	7.00
_____	10020	Tobacco (12 issues)	25.00	40.00
_____	10021	World Crop Production (12 issues)	18.00	25.00
_____	10023	Wood Products (4 issues)	7.00	10.00

_____ **Total Reports Ordered**

Total Subscription Price _______

☐ **Please send me a sample copy.**

Enclosed is my Check for $_____ Made Payable to Foreign Agricultural Service.

Name (Last, first, middle initial)

Organization or Firm

Street or P.O. Box Number

City State Zip Code

Country

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

FIRST-CLASS MAIL
POSTAGE & FEES PAID
USDA-FAS
WASHINGTON, D.C.
PERMIT No. G-262

If your address should be changed ______________ PRINT OR TYPE the new address, including ZIP CODE and return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.
U.S. Department of Agriculture
Washington, D.C. 20250